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Folio:

NOVEMBER 1988 THE MAGAZINE FOR MAGAZINE MANAGEMENT $6.00

The best in design

Energy, intensity and creativity characterized the eight Gold Award winners in the 23rd annual Society of Publication Designers Awards. Judges picked the best from a record field of 5,841 entries. The competition honors the art director as visual journalist. **179**

Polybag rules stir up new furor

Polybag opportunities may plunge, now that USPS has forbidden advertorials and catalogs as second-class supplements. **43**

Long, dry season for list rentals

Mailing costs are up and direct mail response is down: The combination means more publishers are turning away from lists. **45**

An editor's guide to budgeting

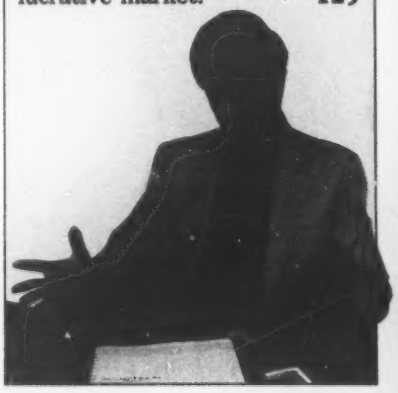
A hands-on explanation of the editorial budget: what it is, how it works, and how to construct it, even if you are more comfortable with words than numbers. **185**

Uncoated paper: A new look

Increased costs are focusing more attention on uncoated paper, which provides an economic and artistic advantage without, necessarily, a loss of quality. Charts showing the major grades and the technical characteristics of each will reveal your options. **204**

Vista: Championing Hispanic readers

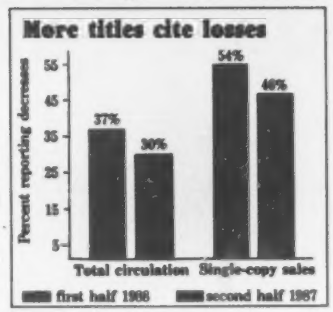
Reaching out to this booming English-speaking ethnic group, Arturo Villar has also found a lucrative market. **125**



November 1988

Circulation growth stagnates for ABC titles 43

Once again, single-copy woes are the reason more and more consumer publishers face total circulation losses.



Desktop user's report: B.A.S.S. reels in efficiencies 199

Shipping day bottlenecks have eased, creativity is increasing, and the art staff handles 42 percent more pages because of B.A.S.S.'s conversion to desktop publishing.

Profiting from sub complaints 221

No one likes to hear complaints—but Eliot Schein explains how knowing the right way to respond will keep both your subscribers and your publisher happy.

Successful publishing companies: What do they have in common? 256

What makes a successful publishing company? The author of this analysis of 526 leading business magazines reveals the 24 key characteristics of success.

Will ad rate hikes hold firm? 44

Postage and paper hikes are forcing publishers to up ad rates 6% to 9%—but many agencies say that the higher rates go, the tougher they'll negotiate.

Help wanted: Business editors 46

As business publishing booms, the search for qualified business editors gets tougher and tougher. What steps should publishers take when classified ads aren't enough?

UPDATE

Taking control of inserts. 47

Zip/postal audits: Future trend? 48

Women's titles break cover price barrier. 54

Publishers cut quick-pay discount. 62

Transparency guidelines issued by MPA. 71

New address change program tested for third class. 76

Telemarketing proposal fought by DMA. 90

COLUMNS

Preparing for the sale, by Helen Berman. 227

Choosing the right stat, by Jeff Parnau. 233

Telemarketing for controlled circ, by Susan Ravenscraft. 237

Sexual harassment, by Katherine Smith. 241

DEPARTMENTS

Briefings 11
Joe Hanson on Magazines 21
Letters 35
Update 43
Magazine People 125
Magazine Watch 131
List Watch 155
Calendar 168
Classified 245
Point of View 256

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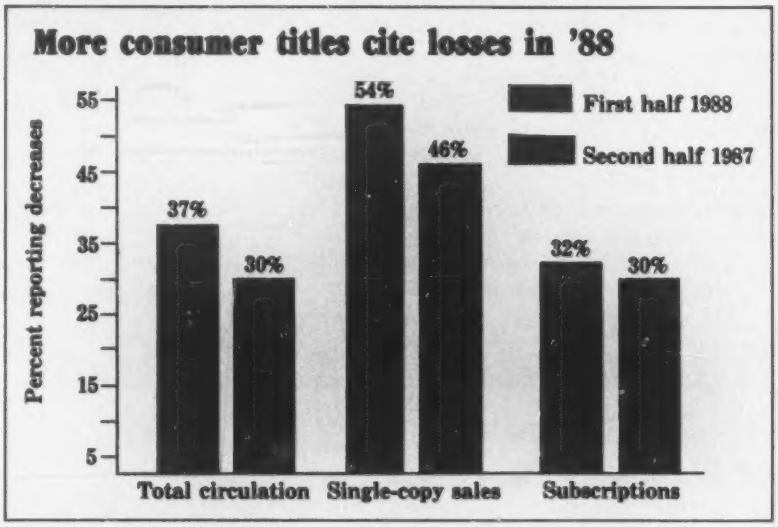
UPDATE

Single-copy sales sputter in first half '88

After a promising '87, retail sales slide; subs remain healthy



***Increased prices and rate base cuts** could result if the single-copy sales skid of the 1980s continues.*

New York City—What a difference a year makes.

Last year at this time, 53.8 percent of titles monitored by the Audit Bureau of Circulations (ABC) reported single-copy gains—more than at any time during the past five years.

Signs of single-copy problems, however, were evident. Total newsstand sales, up from 1986, slid some 9.3 million, to 79.3 million, between the first and second halves of 1987. And in 1988, only 45.7 percent of 411 consumer publishers reported single-copy increases during the first half, according to a FOLIO: analysis of the ABC Fas-Fax report on circulation. (Total unit sales fell slightly, to 79.2 million.)

That's the poorest performance since June 1985, when 42 percent noted gains. "The sales skid of the 1980s looks to be picking up steam again," says circulaton consultant E. Daniel Capell. A decade of vigorous subscription promotion, he notes, continues to persuade consumers to buy through the mail rather than at retail.

Of great concern, too, he notes, is that the bulk of the newsstand business may become dominated by the top 25 titles. Furthermore, declining single-copy sales may mean that publishers "will almost be forced to increase prices. And we may also see more rate base cuts."

On the subscription side, the picture is much more sanguine. Of 438 magazines, 67.8 percent posted subscription sales gains, compared to 62.3 percent a year earlier. Moreover, 269 million subscriptions were sold, a considerable jump from the 236 million

(CONTINUED ON PAGE 100)

Uproar over polybags

Mailers tally up losses as USPS tightens polybag regulations

Washington, D.C.—"A lot of our uses for polybags are dead in the water," says Bacil Guiley, vice president, corporate operations, Springhouse Corporation, publisher of *Learning '88* and *Nursing '88*.

The reason: the Postal Service's edict that a polybagged supplement must contain 25 percent editorial matter if it is to mail at second-class rates. The rule, part of the Postal Service's final decision on supplements, prohibits publishers from including advertorials or catalogs—even catalogs of their own products and services—in polybags.

Ironically, the Postal Service does allow special catalog and advertorial sections to be bound into magazines, notes Guiley. But the difficulty of binding these sections prompted mailers to press for polybags in the first place.

The new rulings also kill the option of mailing two independent second-class publications in the same bag, even if both are owned by the same company. Several publishers used this technique to launch new titles.

Springhouse stands to lose hundreds of thousands of dollars in advertising revenue because of the new ruling, says Marlene Jensen, the company's vice president of magazines. And Springhouse is not alone.

"We were developing [polybagging] as a growing revenue stream," says Stephen Childs, president of Texas Monthly, Inc., who had planned on supplements to be a significant piece of business.

Catalogs can still ride in the bags,

Single-copy sales

(CONTINUED FROM PAGE 43)

sold a year earlier.

Those subscription gains continue to balance out single-copy losses, leaving overall sales about flat in the first half. Nearly 63 percent of 455 magazines posted total increases, compared to 60.9 percent in 1987.

Top-selling titles

TV Guide, longtime circulation leader, has been handily surpassed by *Modern Maturity*, published by the American Association of Retired Persons (AARP) and distributed free to 17,924,783 members. AARP's newsletter, "NRTA/AARP News Bulletin," ranks second in total circulation with 17,623,715. *Reader's Digest*, at 16,964,226, is third, while *TV Guide*, at 16,917,545, drops to fourth.

Among top single-copy sellers was *People*, which gained 209,496 in retail sales during the first half of 1988—thanks to considerable support through TV advertising. Other strong single-copy sellers include *Reader's Digest*, *Redbook*, *Shape*, and *Soap Opera Digest*.

But *Playboy*, which defied bad publicity in the second half of 1987 to lead all magazines in single-copy gains, plunged 32.2 percent in retail sales this year. However, it finished eighth in subscription sales gains.

Other leading subscription gainers include *Family Circle*, *Sports Illustrated* and *TV Guide*. Poor single-copy sales at *Family Circle*, however, led to an overall circulation loss of 1.6 percent.

On a percentage basis, *Detroit Monthly* led all titles with a 75.2 percent overall sales jump, followed by *European Travel & Life* (73.3 percent), *Cook's* (70.8 percent), *Entrepreneur* (46.8 percent) and *Horse Illustrated* (43.7 percent).

The Seven Sisters publications gained in subscriptions, but lost even more in single-copy sales. *Redbook* bucked the pattern by boosting retail sales 17.7 percent, and was up 1.7 percent overall. Aside from *Better Homes & Gardens* (up 0.7 percent), however, the remaining Sisters declined overall.

No breakthrough winners were spotted among other women's titles. Even the redoubtable *Elle*, which last year gained more than 40 percent, grew only 14.7 percent in the first half. Other moderate gainers included *In Fashion* (up 17.3 percent) and *Shape* (up 15.7 percent). *Cosmopolitan* picked up 5.2 percent; *Vogue*, *Glamour* and *Mademoiselle* lost for the second straight period.

Among the newsweeklies, only *Newsweek* enjoyed any significant increase (4.2 percent). *U.S. News & World Report* rose slightly, and *Time* recently cut its rate base by 6.5 percent.

Mirroring the uncertain business climate, business magazines were mixed. *Business Week* and *Forbes* gained slightly in circulation, while *Fortune* dropped marginally. *Inc.* was up by 1.3 percent, but *Changing Times* and *Barron's* declined by 14.7 percent and 9.7 percent respectively.

Vanity Fair, the title that has won the hearts of advertisers, grew by 25.9 percent in circulation. Other general interest titles with healthy first halves include *Us* (up 16.1 percent), *The New Yorker* (up 12 percent) and *Life* (up 10.8 percent).—*M.G.*

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